

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 1394

AN ACT

2 To repeal sections 32.087, 94.270, 135.481,
3 135.750, 137.100, 137.101, 137.115, 137.298,
4 137.505, 143.081, 143.121, 143.431, 143.782,
5 144.025, 144.030, 144.083, 144.615, 301.025,
6 and 644.032, RSMo, and to enact in lieu
7 thereof twenty-one new sections relating to
8 taxation, with an effective date for certain
9 sections and with an emergency clause.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
11 AS FOLLOWS:

12 Section A. Sections 32.087, 94.270, 135.481, 135.750,
13 137.100, 137.101, 137.115, 137.298, 137.505, 143.081, 143.121,
14 143.431, 143.782, 144.025, 144.030, 144.083, 144.615, 301.025,
15 and 644.032, RSMo, are repealed and twenty-one new sections
16 enacted in lieu thereof, to be known as sections 32.087, 94.270,
17 135.481, 135.751, 137.078, 137.100, 137.101, 137.115, 137.298,
18 137.505, 143.081, 143.121, 143.431, 143.782, 144.025, 144.030,
19 144.083, 144.615, 301.025, 644.032, and 1, to read as follows:

20 32.087. 1. Within ten days after the adoption of any
21 ordinance or order in favor of adoption of any local sales tax
22 authorized under the local sales tax law by the voters of a

1 taxing entity, the governing body or official of such taxing
2 entity shall forward to the director of revenue by United States
3 registered mail or certified mail a certified copy of the
4 ordinance or order. The ordinance or order shall reflect the
5 effective date thereof.

6 2. Any local sales tax so adopted shall become effective on
7 the first day of the second calendar quarter after the director
8 of revenue receives notice of adoption of the local sales tax,
9 except as provided in subsection 18 of this section.

10 3. Every retailer within the jurisdiction of one or more
11 taxing entities which has imposed one or more local sales taxes
12 under the local sales tax law shall add all taxes so imposed
13 along with the tax imposed by the sales tax law of the state of
14 Missouri to the sale price and, when added, the combined tax
15 shall constitute a part of the price, and shall be a debt of the
16 purchaser to the retailer until paid, and shall be recoverable at
17 law in the same manner as the purchase price. The combined rate
18 of the state sales tax and all local sales taxes shall be the sum
19 of the rates, multiplying the combined rate times the amount of
20 the sale.

21 4. The brackets required to be established by the director
22 of revenue under the provisions of section 144.285, RSMo, shall
23 be based upon the sum of the combined rate of the state sales tax
24 and all local sales taxes imposed under the provisions of the

1 local sales tax law.

2 5. The ordinance or order imposing a local sales tax under
3 the local sales tax law shall impose upon all sellers a tax for
4 the privilege of engaging in the business of selling tangible
5 personal property or rendering taxable services at retail to the
6 extent and in the manner provided in sections 144.010 to 144.525,
7 RSMo, and the rules and regulations of the director of revenue
8 issued pursuant thereto; except that the rate of the tax shall be
9 the sum of the combined rate of the state sales tax or state
10 highway use tax and all local sales taxes imposed under the
11 provisions of the local sales tax law.

12 6. On and after the effective date of any local sales tax
13 imposed under the provisions of the local sales tax law, the
14 director of revenue shall perform all functions incident to the
15 administration, collection, enforcement, and operation of the
16 tax, and the director of revenue shall collect in addition to the
17 sales tax for the state of Missouri all additional local sales
18 taxes authorized under the authority of the local sales tax law.
19 All local sales taxes imposed under the local sales tax law
20 together with all taxes imposed under the sales tax law of the
21 state of Missouri shall be collected together and reported upon
22 such forms and under such administrative rules and regulations as
23 may be prescribed by the director of revenue.

24 7. All applicable provisions contained in sections 144.010

1 to 144.525, RSMo, governing the state sales tax and section
2 32.057, the uniform confidentiality provision, shall apply to the
3 collection of any local sales tax imposed under the local sales
4 tax law except as modified by the local sales tax law.

5 8. All exemptions granted to agencies of government,
6 organizations, persons and to the sale of certain articles and
7 items of tangible personal property and taxable services under
8 the provisions of sections 144.010 to 144.525, RSMo, as these
9 sections now read and as they may hereafter be amended, it being
10 the intent of this general assembly to ensure that the same sales
11 tax exemptions granted from the state sales tax law also be
12 granted under the local sales tax law, are hereby made applicable
13 to the imposition and collection of all local sales taxes imposed
14 under the local sales tax law.

15 9. The same sales tax permit, exemption certificate and
16 retail certificate required by sections 144.010 to 144.525, RSMo,
17 for the administration and collection of the state sales tax
18 shall satisfy the requirements of the local sales tax law, and no
19 additional permit or exemption certificate or retail certificate
20 shall be required; except that the director of revenue may
21 prescribe a form of exemption certificate for an exemption from
22 any local sales tax imposed by the local sales tax law.

23 10. All discounts allowed the retailer under the provisions
24 of the state sales tax law for the collection of and for payment

1 of taxes under the provisions of the state sales tax law are
2 hereby allowed and made applicable to any local sales tax
3 collected under the provisions of the local sales tax law.

4 11. The penalties provided in section 32.057 and sections
5 144.010 to 144.525, RSMo, for a violation of the provisions of
6 those sections are hereby made applicable to violations of the
7 provisions of the local sales tax law.

8 12. (1) For the purposes of any local sales tax imposed by
9 an ordinance or order under the local sales tax law, all sales,
10 except the sale of motor vehicles, trailers, boats, and outboard
11 motors, shall be deemed to be consummated at the place of
12 business of the retailer unless the tangible personal property
13 sold is delivered by the retailer or his agent to an out-of-state
14 destination. In the event a retailer has more than one place of
15 business in this state which participates in the sale, the sale
16 shall be deemed to be consummated at the place of business of the
17 retailer where the initial order for the tangible personal
18 property is taken, even though the order must be forwarded
19 elsewhere for acceptance, approval of credit, shipment or
20 billing. A sale by a retailer's agent or employee shall be
21 deemed to be consummated at the place of business from which he
22 works.

23 (2) For the purposes of any local sales tax imposed by an
24 ordinance or order under the local sales tax law, all sales of

1 motor vehicles, trailers, boats, and outboard motors shall be
2 deemed to be consummated at the residence of the purchaser and
3 not at the place of business of the retailer, or the place of
4 business from which the retailer's agent or employee works.

5 (3) For the purposes of any local tax imposed by an
6 ordinance or under the local sales tax law on charges for mobile
7 telecommunications services, all taxes of mobile
8 telecommunications service shall be imposed as provided in the
9 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sections 116
10 through 124, as amended.

11 13. Local sales taxes imposed pursuant to the local sales
12 tax law on the purchase and sale of motor vehicles, trailers,
13 boats, and outboard motors shall not be collected and remitted by
14 the seller, but shall be collected by the director of revenue at
15 the time application is made for a certificate of title, if the
16 address of the applicant is within a taxing entity imposing a
17 local sales tax under the local sales tax law.

18 14. The director of revenue and any of his deputies,
19 assistants and employees who have any duties or responsibilities
20 in connection with the collection, deposit, transfer,
21 transmittal, disbursement, safekeeping, accounting, or recording
22 of funds which come into the hands of the director of revenue
23 under the provisions of the local sales tax law shall enter a
24 surety bond or bonds payable to any and all taxing entities in

1 whose behalf such funds have been collected under the local sales
2 tax law in the amount of one hundred thousand dollars for each
3 such tax; but the director of revenue may enter into a blanket
4 bond covering himself and all such deputies, assistants and
5 employees. The cost of any premium for such bonds shall be paid
6 by the director of revenue from the share of the collections
7 under the sales tax law retained by the director of revenue for
8 the benefit of the state.

9 15. The director of revenue shall annually report on his
10 management of each trust fund which is created under the local
11 sales tax law and administration of each local sales tax imposed
12 under the local sales tax law. He shall provide each taxing
13 entity imposing one or more local sales taxes authorized by the
14 local sales tax law with a detailed accounting of the source of
15 all funds received by him for the taxing entity. Notwithstanding
16 any other provisions of law, the state auditor shall annually
17 audit each trust fund. A copy of the director's report and
18 annual audit shall be forwarded to each taxing entity imposing
19 one or more local sales taxes.

20 16. Within the boundaries of any taxing entity where one or
21 more local sales taxes have been imposed, if any person is
22 delinquent in the payment of the amount required to be paid by
23 him under the local sales tax law or in the event a determination
24 has been made against him for taxes and penalty under the local

1 sales tax law, the limitation for bringing suit for the
2 collection of the delinquent tax and penalty shall be the same as
3 that provided in sections 144.010 to 144.525, RSMo. Where the
4 director of revenue has determined that suit must be filed
5 against any person for the collection of delinquent taxes due the
6 state under the state sales tax law, and where such person is
7 also delinquent in payment of taxes under the local sales tax
8 law, the director of revenue shall notify the taxing entity [to
9 which delinquent taxes are due under the local sales tax law by
10 United States registered mail or certified mail at least ten days
11 before turning the case over to the attorney general. The taxing
12 entity, acting through its attorney, may join in such suit as a
13 party plaintiff to seek a judgment for the delinquent taxes and
14 penalty due such taxing entity.] in the event any person fails or
15 refuses to pay the amount of any local sales tax due[, the
16 director of revenue shall promptly notify the taxing entity to
17 which the tax would be due] so that appropriate action may be
18 taken by the taxing entity.

19 17. Where property is seized by the director of revenue
20 under the provisions of any law authorizing seizure of the
21 property of a taxpayer who is delinquent in payment of the tax
22 imposed by the state sales tax law, and where such taxpayer is
23 also delinquent in payment of any tax imposed by the local sales
24 tax law, the director of revenue shall permit the taxing entity

1 to join in any sale of property to pay the delinquent taxes and
2 penalties due the state and to the taxing entity under the local
3 sales tax law. The proceeds from such sale shall first be
4 applied to all sums due the state, and the remainder, if any,
5 shall be applied to all sums due such taxing entity.

6 18. If a local sales tax has been in effect for at least
7 one year under the provisions of the local sales tax law and
8 voters approve reimposition of the same local sales tax at the
9 same rate at an election as provided for in the local sales tax
10 law prior to the date such tax is due to expire, the tax so
11 reimposed shall become effective the first day of the first
12 calendar quarter after the director receives a certified copy of
13 the ordinance, order or resolution accompanied by a map clearly
14 showing the boundaries thereof and the results of such election,
15 provided that such ordinance, order or resolution and all
16 necessary accompanying materials are received by the director at
17 least thirty days prior to the expiration of such tax. Any
18 administrative cost or expense incurred by the state as a result
19 of the provisions of this subsection shall be paid by the city or
20 county reimposing such tax.

21 94.270. 1. The mayor and board of aldermen shall have
22 power and authority to regulate and to license and to levy and
23 collect a license tax on auctioneers, druggists, hawkers,
24 peddlers, banks, brokers, pawnbrokers, merchants of all kinds,

1 grocers, confectioners, restaurants, butchers, taverns, hotels,
2 public boardinghouses, billiard and pool tables and other tables,
3 bowling alleys, lumber dealers, real estate agents, loan
4 companies, loan agents, public buildings, public halls, opera
5 houses, concerts, photographers, bill posters, artists, agents,
6 porters, public lecturers, public meetings, circuses and shows,
7 for parades and exhibitions, moving picture shows, horse or
8 cattle dealers, patent right dealers, stockyards, inspectors,
9 gaugers, mercantile agents, gas companies, insurance companies,
10 insurance agents, express companies, and express agents,
11 telegraph companies, light, power and water companies, telephone
12 companies, manufacturing and other corporations or institutions,
13 automobile agencies, and dealers, public garages, automobile
14 repair shops or both combined, dealers in automobile accessories,
15 gasoline filling stations, soft drink stands, ice cream stands,
16 ice cream and soft drink stands combined, soda fountains, street
17 railroad cars, omnibuses, drays, transfer and all other vehicles,
18 traveling and auction stores, plumbers, and all other business,
19 trades and avocations whatsoever, and fix the rate of carriage of
20 persons, drayage and cartage of property; and to license, tax,
21 regulate and suppress ordinaries, money brokers, money changers,
22 intelligence and employment offices and agencies, public
23 masquerades, balls, street exhibitions, dance houses, fortune
24 tellers, pistol galleries, corn doctors, private venereal

1 hospitals, museums, menageries, equestrian performances,
2 horoscopic views, telescopic views, lung testers, muscle
3 developers, magnifying glasses, ten pin alleys, ball alleys,
4 billiard tables, pool tables and other tables, theatrical or
5 other exhibitions, boxing and sparring exhibitions, shows and
6 amusements, tippling houses, and sales of unclaimed goods by
7 express companies or common carriers, auto wrecking shops and
8 junk dealers; to license, tax and regulate hackmen, draymen,
9 omnibus drivers, porters and all others pursuing like
10 occupations, with or without vehicles, and to prescribe their
11 compensation; and to regulate, license and restrain runners for
12 steamboats, cars, and public houses; and to license ferries, and
13 to regulate the same and the landing thereof within the limits of
14 the city, and to license and tax auto liveries, auto drays and
15 jitneys.

16 2. Notwithstanding any other law to the contrary, no city
17 of the fourth classification with more than eight hundred but
18 less than nine hundred inhabitants and located in any county with
19 a charter form of government and with more than one million
20 inhabitants shall levy or collect a license fee on hotels or
21 motels in an amount in excess of twenty-six dollars and fifty
22 cents per room per year. No hotel or motel in such city shall be
23 required to pay a license fee in excess of such amount, and any
24 license fee in such city that exceeds the limitation of this

1 subsection shall be automatically reduced to comply with this
2 subsection.

3 3. Notwithstanding any other law to the contrary, no city
4 of the fourth classification with more than four thousand one
5 hundred but less than four thousand two hundred inhabitants and
6 located in any county with a charter form of government and with
7 more than one million inhabitants shall levy or collect a license
8 fee on hotels or motels in an amount in excess of thirteen
9 dollars per room per year. No hotel or motel in such city shall
10 be required to pay a license fee in excess of such amount, and
11 any license fee in such city that exceeds the limitation of this
12 subsection shall be automatically reduced to comply with this
13 subsection.

14 135.481. 1. (1) Any taxpayer who incurs eligible costs
15 for a new residence located in a distressed community or within a
16 census block group as described in subdivision (10) of section
17 135.478, or for a multiple unit condominium described in
18 subdivision (2) of this subsection, shall receive a tax credit
19 equal to fifteen percent of such costs against his or her tax
20 liability. The tax credit shall not exceed forty thousand
21 dollars per new residence in any ten-year period.

22 (2) For the purposes of this section, a "multiple unit
23 condominium" is one that is intended to be owner occupied, which
24 is constructed on property subject to an industrial development

1 contract as defined in section 100.310, RSMo, and which lies
2 within an area with a city zoning classification of urban
3 redevelopment district established after January 1, 2000, and
4 before December 31, 2001, and which is constructed in connection
5 with the qualified rehabilitation of a structure more than ninety
6 years old eligible for the historic structures rehabilitation tax
7 credit described in sections 253.545 to 253.559, RSMo, and is
8 under way by January 1, 2000, and completed by January 1, 2002.

9 2. Any taxpayer who incurs eligible costs for a new
10 residence located within a census block as described in
11 subdivision (6) of section 135.478 shall receive a tax credit
12 equal to fifteen percent of such costs against his or her tax
13 liability. The tax credit shall not exceed twenty-five thousand
14 dollars per new residence in any ten-year period.

15 3. Any taxpayer who is not performing substantial
16 rehabilitation and who incurs eligible costs for rehabilitation
17 of an eligible residence or a qualifying residence shall receive
18 a tax credit equal to twenty-five percent of such costs against
19 his or her tax liability. The minimum eligible costs for
20 rehabilitation of an eligible residence shall be ten thousand
21 dollars. The minimum eligible costs for rehabilitation of a
22 qualifying residence shall be five thousand dollars. The tax
23 credit shall not exceed twenty-five thousand dollars in any
24 ten-year period. Any taxpayer who has obtained approvals of

1 multiple approvals of multiple phase projects before December 31,
2 2004, and who incurs eligible costs for a new residence in an
3 area described in subsection 2 of this section which is
4 constructed on property subject to the industrial development
5 provisions of section 100.300 to 100.600, RSMo, and which lies
6 within an area with a city zoning classification of urban
7 development district, may reallocate the tax credits within the
8 phases in an amount not to exceed thirty-five percent of such
9 costs up to seventy thousand dollars per residence in any ten-
10 year period.

11 4. Any taxpayer who incurs eligible costs for substantial
12 rehabilitation of a qualifying residence shall receive a tax
13 credit equal to thirty-five percent of such costs against his or
14 her tax liability. The minimum eligible costs for substantial
15 rehabilitation of a qualifying residence shall be ten thousand
16 dollars. The tax credit shall not exceed seventy thousand
17 dollars in any ten-year period.

18 5. A taxpayer shall be eligible to receive tax credits for
19 new construction or rehabilitation pursuant to only one
20 subsection of this section.

21 6. No tax credit shall be issued pursuant to this section
22 for any structure which is in violation of any municipal or
23 county property, maintenance or zoning code.

24 7. No tax credit shall be issued pursuant to sections

1 135.475 to 135.487 for the construction or rehabilitation of
2 rental property.

3 135.751. 1. As used in this section, the following terms
4 mean:

5 (1) "Accredited film or video production certificate", a
6 certificate issued by the department of economic development
7 certifying that the film or video production is an accredited
8 production;

9 (2) "Accredited production", a film or video production
10 produced in this state and accredited by the department of
11 economic development as determined by rule or regulation;

12 (3) "Expenditure", any amount spent within this state on
13 the following items by a production corporation for an accredited
14 production, to the extent that the expenditures are reasonable
15 under the circumstances:

16 (a) The salary or wages directly attributable to the
17 production that are incurred by the production corporation
18 relating to services rendered in this state by residents of this
19 state for the stages of production of the accredited production,
20 from the final script stage to the end of the post-production
21 stage, and paid by the corporation in the taxable year for which
22 the credit is being claimed to employees of the corporation who
23 were residents of this state at the time the payments were made;

24 (b) That portion of the remuneration, other than salary or

1 wages, directly attributable to the accredited production,
2 relating to services personally rendered in this state by
3 residents of this state to the production corporation for the
4 stages of production of the accredited production, from the final
5 script stage to the end of the post-production stage, and that is
6 paid by the production corporation to a person or a partnership
7 that:

8 a. Carries on a business in this state through a permanent
9 establishment;

10 b. Resides in this state at the time the amount is paid and
11 who is not an employee of the production corporation, to the
12 extent that the amount paid is attributable to and does not
13 exceed the salary or wages paid by the individual to the
14 individual's employees at a time when they were residents of this
15 state for personally rendering services in this state for the
16 accredited production;

17 c. Is another corporation that is a taxable Missouri
18 corporation, to the extent that the amount paid is attributable
19 to and does not exceed the salary or wages paid to the other
20 corporation's employees at a time when they were residents of
21 this state for personally rendering services in this state for
22 the accredited production;

23 d. Is another corporation that is a taxable Missouri
24 corporation, all the issued and outstanding shares of the capital

1 stock of which, except directors' qualifying shares, belong to an
2 individual who was a resident of this state and the activities of
3 which consist principally of the provision of the individual's
4 services, to the extent that the amount paid is attributable to
5 services rendered personally in this state by the individual for
6 the accredited production; or

7 e. Is a partnership, to the extent that the amount paid:

8 (i) Is attributable to services personally rendered for the
9 accredited production by an individual who is a resident in this
10 state and who is a member of the partnership; or

11 (ii) Is attributable to and does not exceed the salary or
12 wages paid by the partnership to its employees at a time when
13 they were residents of this state for personally rendering
14 services in this state for the accredited production.

15 "Expenditure" does not apply to an amount that is not a
16 production cost, including amounts relating to advertising,
17 marketing, promotion, market research, or an amount related in
18 any way to another film or video production or accredited
19 production;

20 (4) "Production corporation", any corporation that provides
21 film or video production or film or video production services and
22 that:

23 (a) Owns the copyright in the accredited production

1 throughout the period during which the accredited production is
2 produced in this state; or

3 (b) Has contracted directly with the owner of the copyright
4 in the accredited production to provide production services
5 related to the accredited production, where the owner of the
6 copyright is not an eligible production corporation with respect
7 to the accredited production.

8 For purposes of this subdivision, "production corporation" does
9 not include a corporation that is:

10 (a) Exempt, in whole or in part, from federal or Missouri
11 income tax; or

12 (b) Controlled directly or indirectly in any manner
13 whatever by one or more persons all or part of whose taxable
14 income is exempt from federal or Missouri income tax;

15 (5) "Rental costs", the amounts paid for renting film
16 production equipment and vehicles located in this state and owned
17 by any person or entity residing in this state for the production
18 of an accredited production.

19 2. For purposes of this section:

20 (1) "Remuneration" does not include remuneration determined
21 by reference to profits or revenues;

22 (2) "Salary or wages" does not include any agreement to
23 issue securities to any employee or employee stock options or an

1 amount determined by reference to profits or revenues;

2 (3) Services that relate to the post-production stage of
3 the accredited production include only the services that are
4 rendered at that stage by a resident of this state who performs
5 the duties of animation cameraman, assistant colorist, assistant
6 mixer, assistant sound-effects technician, boom operator,
7 colorist, computer graphics designer, cutter, developing
8 technician, director of post production, dubbing technician,
9 encoding technician, inspection technician, clean up, mixer,
10 optical effects technician, picture editor, printing technician,
11 projectionist, recording technician, senior editor, sound editor,
12 sound-effects technician, special effects editor, subtitle
13 technician, timer, video-film recorder operator, videotape
14 operator, or by a person who performs a prescribed post-
15 production duty.

16 3. For all tax years beginning on or after January 1, 2004,
17 any production corporation engaging in an accredited production
18 may receive a credit against the tax otherwise due under chapter
19 143, RSMo, excluding withholding tax imposed by sections 143.191
20 to 143.265, RSMo, on the income derived from the accredited
21 production. The amount of the credit authorized under this
22 section shall be an amount equal to sixteen percent of the total
23 amount of the expenditures made during the tax year in which the
24 accredited production is produced and eight percent of the total

1 amount spent on rental costs incurred for the production of an
2 accredited production during the tax years in which the
3 accredited production is produced. The credit allowed in this
4 section shall be claimed as authorized in subsection 4 of this
5 section, and shall not be claimed for the tax years in which the
6 expenditures are made and the rental costs incurred.

7 4. The amount of the tax credit claimed under this section
8 shall not exceed the amount of the taxpayer's state tax liability
9 for the taxable year for which the credit is claimed. The credit
10 shall be claimed by the taxpayer in any tax year after the tax
11 years in which the accredited production was produced and in
12 which expenditures are made or rental costs are incurred for the
13 subsequent accredited production in this state by the production
14 corporation, provided, that the subsequent accredited production
15 shall commence within ten years of the initial accredited
16 production for which the expenditures were made and the rental
17 costs incurred. Any tax credit allowed under this section that
18 cannot be fully claimed in any taxable year the subsequent
19 accredited production is produced may be carried over to the
20 taxable years for which the production corporation claims a tax
21 credit under this section for other subsequent accredited
22 productions until the full credit has been claimed. No taxpayer
23 claiming a tax credit for expenditures or rental costs under this
24 section shall be eligible to claim the tax credit allowed in

1 section 135.750 for the same expenditures or rental costs, and no
2 person claiming a tax credit for any expenditures or rental costs
3 under section 135.750 shall be eligible to claim the tax credit
4 under this section for the same expenditures or rental costs.

5 5. Any taxpayer claiming a credit under this section shall
6 file the following as part of such taxpayer's tax return:

7 (1) A form prescribed by the department of economic
8 development containing prescribed information relating to the
9 accredited production;

10 (2) An accredited film or video production certificate
11 relating to the accredited production;

12 (3) A statement that the principal filming or taping of the
13 accredited production began before the end of the year; and

14 (4) Any documentation the department of economic
15 development deems necessary to confirm the taxpayer's eligibility
16 for the credit.

17 6. An accredited film or video production certificate may
18 be revoked by the department of economic development if:

19 (1) An omission or incorrect statement was made in the
20 application for a certificate for the purpose of obtaining the
21 certificate; or

22 (2) The production is not an accredited production.

23 No person or entity that has had an accredited film or video

1 production certificate revoked may claim any tax credit under
2 this section.

3 7. The director of the department of economic development
4 and the director of the department of revenue may promulgate
5 rules and regulations to administer and enforce this section.
6 Any rule or portion of a rule, as that term is defined in section
7 536.010, RSMo, that is created under the authority delegated in
8 this section shall become effective only if it complies with and
9 is subject to all of the provisions of chapter 536, RSMo, and, if
10 applicable, section 536.028, RSMo. This section and chapter 536,
11 RSMo, are nonseverable and if any of the powers vested with the
12 general assembly pursuant to chapter 536, RSMo, to review, to
13 delay the effective date, or to disapprove and annul a rule are
14 subsequently held unconstitutional, then the grant of rulemaking
15 authority and any rule proposed or adopted after August 28, 2004,
16 shall be invalid and void.

17 8. Pursuant to section 23.253, RSMo, of the Missouri Sunset
18 Act:

19 (1) The provisions of the new program authorized under this
20 section shall automatically sunset six years after the effective
21 date of this section unless reauthorized by an act of the general
22 assembly; and

23 (2) If such program is reauthorized, the program authorized
24 under this section shall automatically sunset twelve years after

1 the effective date of the reauthorization of this section; and

2 (3) This section shall terminate on September first of the
3 calendar year immediately following the calendar year in which
4 the program authorized under this section is sunset.

5 137.078. 1. For purposes of this section, the following
6 terms shall mean:

7 (1) "Analog equipment", all depreciable items of tangible
8 personal property that are used directly or indirectly in
9 broadcasting television shows and commercials through the use of
10 analog technology;

11 (2) "Applicable analog fraction", a fraction, the numerator
12 of which is the total number of analog television sets in the
13 United States for the immediately preceding calendar year and the
14 denominator of which is an amount representing the total combined
15 number of analog and digital television sets in the United States
16 for the immediately preceding calendar year. The applicable
17 analog fraction will be determined on an annual basis by the
18 Missouri Broadcasters Association;

19 (3) "Applicable digital fraction", a fraction, the
20 numerator of which is the total number of digital television sets
21 in the United States for the immediately preceding calendar year
22 and the denominator of which is an amount representing the total
23 combined number of analog and digital television sets in the
24 United States for the immediately preceding calendar year. The

applicable digital fraction will be determined on an annual basis
by the Missouri Broadcasters Association;

(4) "Applicable analog percentage", the following
percentages for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
				<u>1%</u>
<u>2006</u>				<u>1%</u>
<u>2005</u>			<u>25%</u>	<u>1%</u>
<u>2004</u>		<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2003</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2002</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2001</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2000</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>1999</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>1998</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>Prior</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>

(5) "Digital equipment", all depreciable items of tangible
personal property that are used directly or indirectly in
broadcasting television shows and commercials through the use of
digital technology;

(6) "Television broadcasters", all businesses that own,
lease, or operate television broadcasting stations that transmit
television shows and commercials and that are required to be

1 licensed by the Federal Communications Commission to provide such
2 services;

3 (7) "Television broadcasting equipment", both analog
4 equipment and digital equipment.

5 2. For purposes of assessing all items of television
6 broadcasting equipment that are owned and used by television
7 broadcasters for purposes of broadcasting television shows and
8 commercials:

9 (1) The true value in money of all analog equipment shall
10 be determined by depreciating the historical cost of such
11 property using the depreciation tables provided in subdivision
12 (1) of subsection 3 of this section and multiplying the results
13 by the applicable analog percentage. The result of the second
14 computation is multiplied by the applicable analog fraction to
15 determine the true value in money of the analog equipment; and

16 (2) The true value in money of all digital equipment shall
17 be determined by depreciating the historical cost of such
18 property using the depreciation tables provided in subdivision
19 (2) of subsection 3 of this section and multiplying the results
20 by the applicable digital fraction to determine the true value in
21 money of the digital equipment.

22 3. For purposes of subsection 2 of this section, the
23 depreciation tables for determining the fair value in money of
24 television broadcasting equipment are as follows:

(1) For analog equipment, the following depreciation tables will apply for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
<u>2006</u>				<u>65%</u>
<u>2005</u>			<u>65%</u>	<u>45%</u>
<u>2004</u>		<u>65%</u>	<u>45%</u>	<u>30%</u>
<u>2003</u>	<u>65%</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>
<u>2002</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>
<u>2001</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>
<u>2000</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>
<u>1999</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>1998</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>Prior</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

(2) For digital equipment, the following depreciation tables will apply for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
<u>2006</u>				<u>65%</u>
<u>2005</u>			<u>65%</u>	<u>45%</u>
<u>2004</u>		<u>65%</u>	<u>45%</u>	<u>30%</u>
<u>2003</u>	<u>65%</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>
<u>2002</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>
<u>2001</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>

<u>2000</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>
<u>1999</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>1998</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>Prior</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

137.100. The following subjects are exempt from taxation for state, county or local purposes:

(1) Lands and other property belonging to this state;

(2) Lands and other property belonging to any city, county or other political subdivision in this state, including market houses, town halls and other public structures, with their furniture and equipments, and on public squares and lots kept open for health, use or ornament;

(3) Nonprofit cemeteries;

(4) The real estate and tangible personal property which is used exclusively for agricultural or horticultural societies organized in this state, including not-for-profit agribusiness associations;

(5) All property, real and personal, actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable and not held for private or corporate profit, except that the exemption herein granted does not include real property not actually used or occupied for the purpose of the organization but held or used as investment even though the income or rentals received therefrom is used wholly

1 for religious, educational or charitable purposes;

2 (6) Household goods, furniture, wearing apparel and
3 articles of personal use and adornment, as defined by the state
4 tax commission, owned and used by a person in his home or
5 dwelling place; [and]

6 (7) Motor vehicles leased for a period of at least one year
7 to this state or to any city, county, or political subdivision;
8 and

9 (8) Real or personal property leased or otherwise
10 transferred by an interstate compact agency created pursuant to
11 sections 70.370 to 70.430, RSMo, or sections 238.010 to 238.100,
12 RSMo, to another for which or whom such property is not exempt
13 when immediately after the lease or transfer, the interstate
14 compact agency enters into a leaseback or other agreement that
15 directly or indirectly gives such interstate compact agency a
16 right to use, control, and possess the property; provided,
17 however, that in the event of a conveyance of such property, the
18 interstate compact agency must retain an option to purchase the
19 property at a future date or, within the limitations period for
20 reverters, the property must revert back to the interstate
21 compact agency. Property will no longer be exempt under this
22 subdivision in the event of a conveyance as of the date, if any,
23 when:

24 (a) The right of the interstate compact agency to use,

1 control, and possess the property is terminated;

2 (b) The interstate compact agency no longer has an option
3 to purchase or otherwise acquire the property; and

4 (c) There is no provisions for reverter of the property
5 within the limitation period for reverters.

6 137.101. 1. The activities of nationally affiliated
7 fraternal, benevolent, veteran, or service organizations which
8 promote good citizenship, humanitarian activities, or improve the
9 physical, mental, and moral condition of an indefinite number of
10 people [are] or purposes purely charitable within the meaning of
11 subsection 1 of section 6 of article X of the constitution and
12 local assessing authorities may exempt such portion of the real
13 and personal property of such organizations as the assessing
14 authority may determine is utilized in purposes purely charitable
15 from the assessment, levy, and collection of taxes.

16 2. If, at any time, an assessor finally determines, after
17 any and all hearings or rightful appeals, that personal property,
18 upon which an organization would otherwise owe taxes but for the
19 provisions of subsection 1 of this section or subdivision (5) of
20 section 137.100, is not used for purposes purely charitable, or
21 for purposes described in subdivision (5) of section 137.100,
22 then the assessor shall notify the department of revenue of such
23 final determination within thirty days.

24 137.115. 1. All other laws to the contrary

1 notwithstanding, the assessor or the assessor's deputies in all
2 counties of this state including the city of St. Louis shall
3 annually make a list of all real and tangible personal property
4 taxable in the assessor's city, county, town or district. Except
5 as otherwise provided in subsection 3 of this section and section
6 137.078, the assessor shall annually assess all personal property
7 at thirty-three and one-third percent of its true value in money
8 as of January first of each calendar year. The assessor shall
9 annually assess all real property, including any new construction
10 and improvements to real property, and possessory interests in
11 real property at the percent of its true value in money set in
12 subsection 5 of this section. The assessor shall annually assess
13 all real property in the following manner: new assessed values
14 shall be determined as of January first of each odd-numbered year
15 and shall be entered in the assessor's books; those same assessed
16 values shall apply in the following even-numbered year, except
17 for new construction and property improvements which shall be
18 valued as though they had been completed as of January first of
19 the preceding odd-numbered year. The assessor may call at the
20 office, place of doing business, or residence of each person
21 required by this chapter to list property, and require the person
22 to make a correct statement of all taxable tangible personal
23 property owned by the person or under his or her care, charge or
24 management, taxable in the county. On or before January first of

1 each even-numbered year, the assessor shall prepare and submit a
2 two-year assessment maintenance plan to the county governing body
3 and the state tax commission for their respective approval or
4 modification. The county governing body shall approve and
5 forward such plan or its alternative to the plan to the state tax
6 commission by February first. If the county governing body fails
7 to forward the plan or its alternative to the plan to the state
8 tax commission by February first, the assessor's plan shall be
9 considered approved by the county governing body. If the state
10 tax commission fails to approve a plan and if the state tax
11 commission and the assessor and the governing body of the county
12 involved are unable to resolve the differences, in order to
13 receive state cost-share funds outlined in section 137.750, the
14 county or the assessor shall petition the administrative hearing
15 commission, by May first, to decide all matters in dispute
16 regarding the assessment maintenance plan. Upon agreement of the
17 parties, the matter may be stayed while the parties proceed with
18 mediation or arbitration upon terms agreed to by the parties.
19 The final decision of the administrative hearing commission shall
20 be subject to judicial review in the circuit court of the county
21 involved. In the event a valuation of subclass (1) real property
22 within any county with a charter form of government, or within a
23 city not within a county, is made by a computer,
24 computer-assisted method or a computer program, the burden of

1 proof, supported by clear, convincing and cogent evidence to
2 sustain such valuation, shall be on the assessor at any hearing
3 or appeal. In any such county, unless the assessor proves
4 otherwise, there shall be a presumption that the assessment was
5 made by a computer, computer-assisted method or a computer
6 program. Such evidence shall include, but shall not be limited
7 to, the following:

8 (1) The findings of the assessor based on an appraisal of
9 the property by generally accepted appraisal techniques; and

10 (2) The purchase prices from sales of at least three
11 comparable properties and the address or location thereof. As
12 used in this paragraph, the word "comparable" means that:

13 (a) Such sale was closed at a date relevant to the property
14 valuation; and

15 (b) Such properties are not more than one mile from the
16 site of the disputed property, except where no similar properties
17 exist within one mile of the disputed property, the nearest
18 comparable property shall be used. Such property shall be within
19 five hundred square feet in size of the disputed property, and
20 resemble the disputed property in age, floor plan, number of
21 rooms, and other relevant characteristics.

22 2. Assessors in each county of this state and the city of
23 St. Louis may send personal property assessment forms through the
24 mail.

1 3. The following items of personal property shall each
2 constitute separate subclasses of tangible personal property and
3 shall be assessed and valued for the purposes of taxation at the
4 following percents of their true value in money:

5 (1) Grain and other agricultural crops in an unmanufactured
6 condition, one-half of one percent;

7 (2) Livestock, twelve percent;

8 (3) Farm machinery, twelve percent;

9 (4) Motor vehicles which are eligible for registration as
10 and are registered as historic motor vehicles pursuant to section
11 301.131, RSMo, and aircraft which are at least twenty-five years
12 old and which are used solely for noncommercial purposes and are
13 operated less than fifty hours per year or aircraft that are home
14 built from a kit, five percent;

15 (5) Poultry, twelve percent; and

16 (6) Tools and equipment used for pollution control and
17 tools and equipment used in retooling for the purpose of
18 introducing new product lines or used for making improvements to
19 existing products by any company which is located in a state
20 enterprise zone and which is identified by any standard
21 industrial classification number cited in subdivision (6) of
22 section 135.200, RSMo, twenty-five percent.

23 4. The person listing the property shall enter a true and
24 correct statement of the property, in a printed blank prepared

1 for that purpose. The statement, after being filled out, shall
2 be signed and either affirmed or sworn to as provided in section
3 137.155. The list shall then be delivered to the assessor.

4 5. All subclasses of real property, as such subclasses are
5 established in section 4(b) of article X of the Missouri
6 Constitution and defined in section 137.016, shall be assessed at
7 the following percentages of true value:

8 (1) For real property in subclass (1), nineteen percent;

9 (2) For real property in subclass (2), twelve percent; and

10 (3) For real property in subclass (3), thirty-two percent.

11 6. Manufactured homes, as defined in section 700.010, RSMo,
12 which are actually used as dwelling units shall be assessed at
13 the same percentage of true value as residential real property
14 for the purpose of taxation. The percentage of assessment of
15 true value for such manufactured homes shall be the same as for
16 residential real property. If the county collector cannot
17 identify or find the manufactured home when attempting to attach
18 the manufactured home for payment of taxes owed by the
19 manufactured home owner, the county collector may request the
20 county commission to have the manufactured home removed from the
21 tax books, and such request shall be granted within thirty days
22 after the request is made; however, the removal from the tax
23 books does not remove the tax lien on the manufactured home if it
24 is later identified or found. A manufactured home located in a

1 manufactured home rental park, rental community or on real estate
2 not owned by the manufactured home owner shall be considered
3 personal property. A manufactured home located on real estate
4 owned by the manufactured home owner may be considered real
5 property.

6 7. Each manufactured home assessed shall be considered a
7 parcel for the purpose of reimbursement pursuant to section
8 137.750, unless the manufactured home has been converted to real
9 property in compliance with section 700.111, RSMo, and assessed
10 as a realty improvement to the existing real estate parcel.

11 8. Any amount of tax due and owing based on the assessment
12 of a manufactured home shall be included on the personal property
13 tax statement of the manufactured home owner unless the
14 manufactured home has been converted to real property in
15 compliance with section 700.111, RSMo, in which case the amount
16 of tax due and owing on the assessment of the manufactured home
17 as a realty improvement to the existing real estate parcel shall
18 be included on the real property tax statement of the real estate
19 owner.

20 9. The assessor of each county and each city not within a
21 county shall use the trade-in value published in the October
22 issue of the National Automobile Dealers' Association Official
23 Used Car Guide, or its successor publication, as the recommended
24 guide of information for determining the true value of motor

1 vehicles described in such publication. In the absence of a
2 listing for a particular motor vehicle in such publication, the
3 assessor shall use such information or publications which in the
4 assessor's judgment will fairly estimate the true value in money
5 of the motor vehicle.

6 10. Before the assessor may increase the assessed valuation
7 of any parcel of subclass (1) real property by more than fifteen
8 percent since the last assessment, excluding increases due to new
9 construction or improvements, the assessor shall conduct a
10 physical inspection of such property.

11 11. If a physical inspection is required, pursuant to
12 subsection 10 of this section, the assessor shall notify the
13 property owner of that fact in writing and shall provide the
14 owner clear written notice of the owner's rights relating to the
15 physical inspection. If a physical inspection is required, the
16 property owner may request that an interior inspection be
17 performed during the physical inspection. The owner shall have
18 no less than thirty days to notify the assessor of a request for
19 an interior physical inspection.

20 12. A physical inspection, as required by subsection 10 of
21 this section, shall include, but not be limited to, an on-site
22 personal observation and review of all exterior portions of the
23 land and any buildings and improvements to which the inspector
24 has or may reasonably and lawfully gain external access, and

1 shall include an observation and review of the interior of any
2 buildings or improvements on the property upon the timely request
3 of the owner pursuant to subsection 11 of this section. Mere
4 observation of the property via a "drive-by inspection" or the
5 like shall not be considered sufficient to constitute a physical
6 inspection as required by this section.

7 13. The provisions of subsections 11 and 12 of this section
8 shall only apply in any county with a charter form of government
9 with more than one million inhabitants.

10 14. A county or city collector may accept credit cards as
11 proper form of payment of outstanding property tax due. No
12 county or city collector may charge surcharge for payment by
13 credit card which exceeds the fee or surcharge charged by the
14 credit card bank for its service.

15 15. The provisions of this section and sections 137.073,
16 138.060 and 138.100, RSMo, shall become effective January 1,
17 2003, for any taxing jurisdiction which has at least seventy-five
18 percent of the land area of such jurisdiction within a county
19 with a charter form of government with greater than one million
20 inhabitants, and the provisions of this section and sections
21 137.073, 138.060 and 138.100, RSMo, shall become effective
22 January 1, 2005, for all taxing jurisdictions in this state. Any
23 county in this state may, by an affirmative vote of the governing
24 body of such county, opt into the provisions of this act prior to

1 January 1, 2005.

2 137.298. 1. Other provisions of law to the contrary
3 notwithstanding, any city may by ordinance include as a charge on
4 bills issued for personal property taxes any outstanding parking
5 violations issued on any vehicle for which personal property tax
6 is to be paid and, if required by ordinance, such charge shall be
7 collected with and in the same payment as personal property taxes
8 are collected by the collector of revenue of such city. No
9 personal property tax bill shall be considered paid unless all
10 charges for parking violations are also paid in full and the
11 collector of revenue shall not issue a paid personal property
12 receipt until all such charges are paid.

13 2. Any city or city not within a county may enter into a
14 contract or cooperative agreement with the county governing body
15 and county collector of any county with a charter form of
16 government or any county of the first classification to include
17 as a charge on bills issued for personal property taxes any
18 outstanding vehicle-related fees and fines, including traffic
19 violations, assessed or issued on any vehicle for which personal
20 property tax is to be paid. For the purpose of this section,
21 vehicle-related fees and fines shall include, but not be limited
22 to, traffic violation fines, parking violation fines, towing and
23 vehicle immobilization fees, and any late payment penalties and
24 court costs associated with adjudication or collection of those

1 fines. No personal property tax bill shall be considered paid
2 unless all charges for parking violations and other vehicle-
3 related fees and fines are also paid in full, and the county
4 collector shall not issue a paid personal property tax receipt
5 until all such charges are paid. Any contract or cooperative
6 agreement shall be in writing, signed by the city, county
7 governing body, and county collector, and shall set forth the
8 provisions and terms agreed to by the parties.

9 137.505. If any person, corporation, partnership or
10 association shall fail to file a return as required by sections
11 137.485 to 137.550, the assessor shall ascertain the true amount
12 and value of the taxable tangible personal property of such
13 person, corporation, partnership or association on the best
14 information available to him and shall assess said property at
15 [twenty-five] ten percent above its value.

16 143.081. 1. A resident individual, resident estate, and
17 resident trust shall be allowed a credit against the tax
18 otherwise due pursuant to sections 143.005 to 143.998 for the
19 amount of any income tax imposed for the taxable year by another
20 state of the United States (or a political subdivision thereof)
21 or the District of Columbia on income derived from sources
22 therein and which is also subject to tax pursuant to sections
23 143.005 to 143.998. [Solely] For purposes of this subsection,
24 the phrase "income tax imposed" shall [include] be that amount of

1 tax before any income tax credit allowed by such other state or
2 the District of Columbia [the basis for which is a charitable
3 contribution which qualifies as a charitable deduction from
4 income pursuant to the Internal Revenue Code of 1986, as amended]
5 if the other state or the District of Columbia authorizes a
6 reciprocal benefit for residents of this state.

7 2. The credit provided pursuant to this section shall not
8 exceed an amount which bears the same ratio to the tax otherwise
9 due pursuant to sections 143.005 to 143.998 as the amount of the
10 taxpayer's Missouri adjusted gross income derived from sources in
11 the other taxing jurisdiction bears to the taxpayer's Missouri
12 adjusted gross income derived from all sources. In applying the
13 limitation of the previous sentence to an estate or trust,
14 Missouri taxable income shall be substituted for Missouri
15 adjusted gross income. If the tax of more than one other taxing
16 jurisdiction is imposed on the same item of income, the credit
17 shall not exceed the limitation that would result if the taxes of
18 all the other jurisdictions applicable to the item were deemed to
19 be of a single jurisdiction.

20 3. For the purposes of this section, in the case of an S
21 corporation, each resident S shareholder shall be considered to
22 have paid a tax imposed on the shareholder in an amount equal to
23 the shareholder's pro rata share of any net income tax paid by
24 the S corporation to a state which does not measure the income of

1 shareholders on an S corporation by reference to the income of
2 the S corporation or where a composite return and composite
3 payments are made in such state on behalf of the S shareholders
4 by the S corporation.

5 4. For purposes of subsection 3 of this section, in the
6 case of an S corporation that is a bank chartered by a state, the
7 office of thrift supervision, or the comptroller of currency,
8 each Missouri resident S shareholder of such out-of-state bank
9 shall qualify for the shareholder's pro rata share of any net tax
10 paid, including a bank franchise tax based on the income of the
11 bank, by such S corporation where bank payment of taxes are made
12 in such state on behalf of the S shareholders by the S bank to
13 the extent of the tax paid.

14 143.121. 1. The Missouri adjusted gross income of a
15 resident individual shall be the taxpayer's federal adjusted
16 gross income subject to the modifications in this section.

17 2. There shall be added to the taxpayer's federal adjusted
18 gross income:

19 (a) The amount of any federal income tax refund received
20 for a prior year which resulted in a Missouri income tax benefit;

21 (b) Interest on certain governmental obligations excluded
22 from federal gross income by Section 103 of the Internal Revenue
23 Code. The previous sentence shall not apply to interest on
24 obligations of the state of Missouri or any of its political

1 subdivisions or authorities and shall not apply to the interest
2 described in subdivision (a) of subsection 3 of this section.

3 The amount added pursuant to this paragraph shall be reduced by
4 the amounts applicable to such interest that would have been
5 deductible in computing the taxable income of the taxpayer except
6 only for the application of Section 265 of the Internal Revenue
7 Code. The reduction shall only be made if it is at least five
8 hundred dollars;

9 (c) The amount of any deduction that is included in the
10 computation of federal taxable income pursuant to Section 168 of
11 the Internal Revenue Code as amended by the Job Creation and
12 Worker Assistance Act of 2002 to the extent the amount deducted
13 relates to property purchased on or after July 1, 2002, but
14 before July 1, 2003, and to the extent the amount deducted
15 exceeds the amount that would have been deductible pursuant to
16 Section 168 of the Internal Revenue Code of 1986 as in effect on
17 January 1, 2002; and

18 (d) The amount of any deduction that is included in the
19 computation of federal taxable income for net operating loss
20 allowed by Section 172 of the Internal Revenue Code of 1986, as
21 amended, other than the deduction allowed by Section 172(b)(1)(G)
22 and Section 172(i) of the Internal Revenue Code of 1986, as
23 amended, for a net operating loss the taxpayer claims in the tax
24 year in which the net operating loss occurred or carries forward

1 for a period of more than twenty years and carries backward for
2 more than two years. Any amount of net operating loss taken
3 against federal taxable income [taxes] but disallowed [against]
4 for Missouri income [taxes] tax purposes pursuant to this
5 paragraph [since July 1,] after June 18, 2002, may be carried
6 forward and taken against any [loss] income on the Missouri
7 income tax return for a period of not more than twenty years from
8 the year of the initial loss.

9 3. There shall be subtracted from the taxpayer's federal
10 adjusted gross income the following amounts to the extent
11 included in federal adjusted gross income:

12 (a) Interest or dividends on obligations of the United
13 States and its territories and possessions or of any authority,
14 commission or instrumentality of the United States to the extent
15 exempt from Missouri income taxes pursuant to the laws of the
16 United States. The amount subtracted pursuant to this paragraph
17 shall be reduced by any interest on indebtedness incurred to
18 carry the described obligations or securities and by any expenses
19 incurred in the production of interest or dividend income
20 described in this paragraph. The reduction in the previous
21 sentence shall only apply to the extent that such expenses
22 including amortizable bond premiums are deducted in determining
23 the taxpayer's federal adjusted gross income or included in the
24 taxpayer's Missouri itemized deduction. The reduction shall only

1 be made if the expenses total at least five hundred dollars;

2 (b) The portion of any gain, from the sale or other
3 disposition of property having a higher adjusted basis to the
4 taxpayer for Missouri income tax purposes than for federal income
5 tax purposes on December 31, 1972, that does not exceed such
6 difference in basis. If a gain is considered a long-term capital
7 gain for federal income tax purposes, the modification shall be
8 limited to one-half of such portion of the gain;

9 (c) The amount necessary to prevent the taxation pursuant
10 to this chapter of any annuity or other amount of income or gain
11 which was properly included in income or gain and was taxed
12 pursuant to the laws of Missouri for a taxable year prior to
13 January 1, 1973, to the taxpayer, or to a decedent by reason of
14 whose death the taxpayer acquired the right to receive the income
15 or gain, or to a trust or estate from which the taxpayer received
16 the income or gain;

17 (d) Accumulation distributions received by a taxpayer as a
18 beneficiary of a trust to the extent that the same are included
19 in federal adjusted gross income;

20 (e) The amount of any state income tax refund for a prior
21 year which was included in the federal adjusted gross income;

22 (f) The portion of capital gain specified in section
23 135.357, RSMo, that would otherwise be included in federal
24 adjusted gross income; [and]

1 (g) The amount that would have been deducted in the
2 computation of federal taxable income pursuant to Section 168 of
3 the Internal Revenue Code as in effect on January 1, 2002, to the
4 extent that amount relates to property purchased on or after July
5 1, 2002, but before July 1, 2003, and to the extent that amount
6 exceeds the amount actually deducted pursuant to Section 168 of
7 the Internal Revenue Code as amended by the Job Creation and
8 Worker Assistance Act of 2002; and

9 (h) For all tax years ending on or after July 1, 2002, with
10 respect to qualified property that is sold or otherwise disposed
11 of during a taxable year by a taxpayer and for which an addition
12 modification was made under paragraph (c) of subsection 2 of this
13 section, the amount by which addition modification made under
14 paragraph (c) of subsection 2 of this section on qualified
15 property has not been recovered through the additional
16 subtractions provided in paragraph (g) of this subsection.

17 4. There shall be added to or subtracted from the
18 taxpayer's federal adjusted gross income the taxpayer's share of
19 the Missouri fiduciary adjustment provided in section 143.351.

20 5. There shall be added to or subtracted from the
21 taxpayer's federal adjusted gross income the modifications
22 provided in section 143.411.

23 143.431. 1. The Missouri taxable income of a corporation
24 taxable under sections 143.011 to 143.996 shall be so much of its

1 federal taxable income for the taxable year, with the
2 modifications specified in subsections 2 [and 3] to 4 of this
3 section, as is derived from sources within Missouri as provided
4 in section 143.451. The tax of a corporation shall be computed
5 on its Missouri taxable income at the rates provided in section
6 143.071.

7 2. There shall be added to or subtracted from federal
8 taxable income, the modifications to adjusted gross income
9 provided in section 143.121 and the applicable modifications to
10 itemized deductions provided in section 143.141. There shall be
11 subtracted the federal income tax deduction provided in section
12 143.171. There shall be subtracted, to the extent included in
13 federal taxable income, corporate dividends from sources within
14 Missouri.

15 3. (1) If an affiliated group of corporations files a
16 consolidated income tax return for the taxable year for federal
17 income tax purposes and fifty percent or more of its income is
18 derived from sources within this state as determined in
19 accordance with section 143.451, then it may elect to file a
20 Missouri consolidated income tax return. The federal
21 consolidated taxable income of the electing affiliated group for
22 the taxable year shall be its federal taxable income.

23 (2) So long as a federal consolidated income tax return is
24 filed, an election made by an affiliated group of corporations to

1 file a Missouri consolidated income tax return may be withdrawn
2 or revoked only upon substantial change in the law or regulations
3 adversely changing tax liability under this chapter; or, with
4 permission of the director of revenue upon the showing of good
5 cause for such action. After such a withdrawal or revocation
6 with respect to an affiliated group, it may not file a Missouri
7 consolidated income tax return for five years thereafter, except
8 with the approval of the director of revenue, and subject to such
9 terms and conditions as he may prescribe.

10 (3) No corporation which is part of an affiliated group of
11 corporations filing a Missouri consolidated income tax return
12 shall be required to file a separate Missouri corporate income
13 tax return for the taxable year.

14 (4) For each taxable year an affiliated group of
15 corporations filing a federal consolidated income tax return does
16 not file a Missouri consolidated income tax return, for purposes
17 of computing the Missouri income tax, the federal taxable income
18 of each member of the affiliated group shall be determined as if
19 a separate federal income tax return had been filed by each such
20 member.

21 (5) The director of revenue may prescribe such regulations
22 not inconsistent with the provisions of this chapter as he may
23 deem necessary in order that the tax liability of any affiliated
24 group of corporations making a Missouri consolidated income tax

1 return, and of each corporation in the group, before, during, and
2 after the period of affiliation, may be returned, determined,
3 computed, assessed, collected, and adjusted, in such manner as
4 clearly to reflect the Missouri taxable income derived from
5 sources within this state and in order to prevent avoidance of
6 such tax liability.

7 4. If a net operating loss deduction is allowed for the
8 taxable year, there shall be added to federal taxable income the
9 amount of the net operating loss modification for each loss year
10 as to which a portion of the net operating loss deduction is
11 attributable. As used in this subsection, the following terms
12 mean:

13 (1) "Loss year", the taxable year in which there occurs a
14 federal net operating loss that is carried back or carried
15 forward in whole or in part to another taxable year;

16 (2) "Net operating loss deduction", a net operating loss
17 deduction allowed for federal income tax purposes under Section
18 172 of the Internal Revenue Code of 1986, as amended or a net
19 operating loss deduction allowed for Missouri income tax purposes
20 under paragraph (d) of subsection 2 of section 143.121, but not
21 including any net operating loss deduction that is allowed for
22 federal income tax purposes but disallowed for Missouri income
23 tax purposes under paragraph (d) of subsection 2 of section
24 143.121;

1 (3) "Net addition modification", for any taxable year, the
2 amount by which the sum of all required additions to federal
3 taxable income provided in this chapter, except for the net
4 operating loss modification, exceeds the combined sum of the
5 amount of all required subtractions from federal taxable income
6 provided in this chapter;

7 (4) "Net operating loss modification", an amount equal to
8 the lesser of the amount of the net operating loss deduction
9 attributable to that loss year or the amount by which the total
10 net operating loss in the loss year is less than the sum of:

11 (a) The net addition modification for that loss year; and

12 (b) The cumulative net operating loss deductions
13 attributable to that loss year allowed for the taxable year and
14 all prior taxable years.

15 5. For all tax years ending on or after July 1, 2002,
16 federal taxable income may be a positive or negative amount.
17 Subsection 4 of this section shall be effective for all tax years
18 with a net operating loss deduction attributable to a loss year
19 ending on or after July 1, 2002, and the net operating loss
20 modification shall only apply to loss years ending on or after
21 July 1, 2002.

22 143.782. As used in sections 143.782 to 143.788, unless the
23 context clearly requires otherwise, the following terms shall
24 mean and include:

1 (1) "Court", the supreme court, court of appeals, or any
2 circuit court of the state;

3 (2) "Debt", any sum due and legally owed to any state
4 agency which has accrued through contract, subrogation, tort, or
5 operation of law regardless of whether there is an outstanding
6 judgment for that sum, court costs as defined in section 488.010,
7 RSMo, fines and fees owed, or any support obligation which is
8 being enforced by the division of family services on behalf of a
9 person who is receiving support enforcement services pursuant to
10 section 454.425, RSMo;

11 (3) "Debtor", any individual, sole proprietorship,
12 partnership, corporation or other legal entity owing a debt;

13 (4) "Department", the department of revenue of the state of
14 Missouri;

15 (5) "Refund", the Missouri income tax refund which the
16 department determines to be due any taxpayer pursuant to the
17 provisions of this chapter. The amount of a refund shall not
18 include any senior citizens property tax credit provided by
19 sections 135.010 to 135.035, RSMo, unless such refund is being
20 offset for a delinquency or debt relating to individual income
21 tax or a property tax credit; and

22 (6) "State agency", any department, division, board,
23 commission, office, or other agency of the state of Missouri,
24 including public community college district.

1 144.025. 1. Notwithstanding any other provisions of law to
2 the contrary, in any retail sale other than retail sales governed
3 by subsections 4 and 5 of this section, where any article on
4 which sales or use tax has been paid, credited, or otherwise
5 satisfied or which was exempted or excluded from sales or use tax
6 is taken in trade as a credit or part payment on the purchase
7 price of the article being sold, the tax imposed by sections
8 144.020 and 144.440 shall be computed only on that portion of the
9 purchase price which exceeds the actual allowance made for the
10 article traded in or exchanged, if there is a bill of sale or
11 other record showing the actual allowance made for the article
12 traded in or exchanged. [Where the article being traded in for
13 credit or part payment is a motor vehicle, trailer, boat, or
14 outboard motor the person trading in the article must be the
15 owner or holder of a properly assigned certificate of ownership.]
16 Where the purchaser of a motor vehicle, trailer, boat or outboard
17 motor receives a rebate from the seller or manufacturer, the tax
18 imposed by sections 144.020 and 144.440 shall be computed only on
19 that portion of the purchase price which exceeds the amount of
20 the rebate, if there is a bill of sale or other record showing
21 the actual rebate given by the seller or manufacturer. Where the
22 trade-in or exchange allowance plus any applicable rebate exceeds
23 the purchase price of the purchased article there shall be no
24 sales or use tax owed. This section shall also apply to motor

1 vehicles, trailers, boats, and outboard motors sold by the owner
2 or holder of the properly assigned certificate of ownership if
3 the seller purchases or contracts to purchase a subsequent motor
4 vehicle, trailer, boat, or outboard motor within one hundred
5 eighty days before or after the date of the sale of the original
6 article and a notarized bill of sale showing the paid sale price
7 is presented to the department of revenue at the time of
8 licensing. A copy of the bill of sale shall be left with the
9 licensing office. Where the subsequent motor vehicle, trailer,
10 boat, or outboard motor is titled more than one hundred eighty
11 days after the sale of the original motor vehicle, trailer, boat,
12 or outboard motor, the allowance pursuant to this section shall
13 be made if the person titling such article establishes that the
14 purchase or contract to purchase was finalized prior to the
15 expiration of the one hundred eighty-day period.

16 2. As used in this section, the term "boat" includes all
17 motorboats and vessels, as the terms "motorboat" and "vessel" are
18 defined in section 306.010, RSMo.

19 3. As used in this section, the term "motor vehicle"
20 includes motor vehicles as defined in section 301.010, RSMo,
21 recreational vehicles as defined in section 700.010, RSMo, or a
22 combination of a truck as defined in section 301.010, RSMo, and a
23 trailer as defined in section 301.010, RSMo.

24 4. The provisions of subsection 1 of this section shall not

1 apply to retail sales of manufactured homes in which the
2 purchaser receives a document known as the "Manufacturer's
3 Statement of Origin" for purposes of obtaining a title to the
4 manufactured home from the department of revenue of this state or
5 from the appropriate agency or officer of any other state.

6 5. Any purchaser of a motor vehicle or trailer used for
7 agricultural use by the purchaser shall be allowed to use as an
8 allowance to offset the sales and use tax liability towards the
9 purchase of the motor vehicle or trailer any grain or livestock
10 produced or raised by the purchaser. The director of revenue may
11 prescribe forms for compliance with this subsection.

12 144.030. 1. There is hereby specifically exempted from the
13 provisions of sections 144.010 to 144.525 and from the
14 computation of the tax levied, assessed or payable pursuant to
15 sections 144.010 to 144.525 such retail sales as may be made in
16 commerce between this state and any other state of the United
17 States, or between this state and any foreign country, and any
18 retail sale which the state of Missouri is prohibited from taxing
19 pursuant to the Constitution or laws of the United States of
20 America, and such retail sales of tangible personal property
21 which the general assembly of the state of Missouri is prohibited
22 from taxing or further taxing by the constitution of this state.

23 2. There are also specifically exempted from the provisions
24 of the local sales tax law as defined in section 32.085, RSMo,

1 section 238.235, RSMo, and sections 144.010 to 144.525 and
2 144.600 to 144.745 and from the computation of the tax levied,
3 assessed or payable pursuant to the local sales tax law as
4 defined in section 32.085, RSMo, section 238.235, RSMo, and
5 sections 144.010 to 144.525 and 144.600 to 144.745:

6 (1) Motor fuel or special fuel subject to an excise tax of
7 this state, unless all or part of such excise tax is refunded
8 pursuant to section 142.584, RSMo; or upon the sale at retail of
9 fuel to be consumed in manufacturing or creating gas, power,
10 steam, electrical current or in furnishing water to be sold
11 ultimately at retail; or feed for livestock or poultry; or grain
12 to be converted into foodstuffs which are to be sold ultimately
13 in processed form at retail; or seed, limestone or fertilizer
14 which is to be used for seeding, liming or fertilizing crops
15 which when harvested will be sold at retail or will be fed to
16 livestock or poultry to be sold ultimately in processed form at
17 retail; economic poisons registered pursuant to the provisions of
18 the Missouri pesticide registration law (sections 281.220 to
19 281.310, RSMo) which are to be used in connection with the growth
20 or production of crops, fruit trees or orchards applied before,
21 during, or after planting, the crop of which when harvested will
22 be sold at retail or will be converted into foodstuffs which are
23 to be sold ultimately in processed form at retail;

24 (2) Materials, manufactured goods, machinery and parts

1 which when used in manufacturing, processing, compounding,
2 mining, producing or fabricating become a component part or
3 ingredient of the new personal property resulting from such
4 manufacturing, processing, compounding, mining, producing or
5 fabricating and which new personal property is intended to be
6 sold ultimately for final use or consumption; and materials,
7 including without limitation, gases and manufactured goods,
8 including without limitation, slagging materials and firebrick,
9 which are ultimately consumed in the manufacturing process by
10 blending, reacting or interacting with or by becoming, in whole
11 or in part, component parts or ingredients of steel products
12 intended to be sold ultimately for final use or consumption;

13 (3) Materials, replacement parts and equipment purchased
14 for use directly upon, and for the repair and maintenance or
15 manufacture of, motor vehicles, watercraft, railroad rolling
16 stock or aircraft engaged as common carriers of persons or
17 property;

18 (4) Replacement machinery, equipment, and parts and the
19 materials and supplies solely required for the installation or
20 construction of such replacement machinery, equipment, and parts,
21 used directly in manufacturing, mining, fabricating or producing
22 a product which is intended to be sold ultimately for final use
23 or consumption; and machinery and equipment, and the materials
24 and supplies required solely for the operation, installation or

1 construction of such machinery and equipment, purchased and used
2 to establish new, or to replace or expand existing, material
3 recovery processing plants in this state. For the purposes of
4 this subdivision, a "material recovery processing plant" means a
5 facility which converts recovered materials into a new product,
6 or a different form which is used in producing a new product, and
7 shall include a facility or equipment which is used exclusively
8 for the collection of recovered materials for delivery to a
9 material recovery processing plant but shall not include motor
10 vehicles used on highways. For purposes of this section, the
11 terms "motor vehicle" and "highway" shall have the same meaning
12 pursuant to section 301.010, RSMo;

13 (5) Machinery and equipment, and parts and the materials
14 and supplies solely required for the installation or construction
15 of such machinery and equipment, purchased and used to establish
16 new or to expand existing manufacturing, mining or fabricating
17 plants in the state if such machinery and equipment is used
18 directly in manufacturing, mining or fabricating a product which
19 is intended to be sold ultimately for final use or consumption;

20 (6) Tangible personal property which is used exclusively in
21 the manufacturing, processing, modification or assembling of
22 products sold to the United States government or to any agency of
23 the United States government;

24 (7) Animals or poultry used for breeding or feeding

1 purposes;

2 (8) Newsprint, ink, computers, photosensitive paper and
3 film, toner, printing plates and other machinery, equipment,
4 replacement parts and supplies used in producing newspapers
5 published for dissemination of news to the general public;

6 (9) The rentals of films, records or any type of sound or
7 picture transcriptions for public commercial display;

8 (10) Pumping machinery and equipment used to propel
9 products delivered by pipelines engaged as common carriers;

10 (11) Railroad rolling stock for use in transporting persons
11 or property in interstate commerce and motor vehicles licensed
12 for a gross weight of twenty-four thousand pounds or more or
13 trailers used by common carriers, as defined in section 390.020,
14 RSMo, solely in the transportation of persons or property in
15 interstate commerce;

16 (12) Electrical energy used in the actual primary
17 manufacture, processing, compounding, mining or producing of a
18 product, or electrical energy used in the actual secondary
19 processing or fabricating of the product, or a material recovery
20 processing plant as defined in subdivision (4) of this
21 subsection, in facilities owned or leased by the taxpayer, if the
22 total cost of electrical energy so used exceeds ten percent of
23 the total cost of production, either primary or secondary,
24 exclusive of the cost of electrical energy so used or if the raw

1 materials used in such processing contain at least twenty-five
2 percent recovered materials as defined in section 260.200, RSMo.
3 For purposes of this subdivision, "processing" means any mode of
4 treatment, act or series of acts performed upon materials to
5 transform and reduce them to a different state or thing,
6 including treatment necessary to maintain or preserve such
7 processing by the producer at the production facility;

8 (13) Anodes which are used or consumed in manufacturing,
9 processing, compounding, mining, producing or fabricating and
10 which have a useful life of less than one year;

11 (14) Machinery, equipment, appliances and devices purchased
12 or leased and used solely for the purpose of preventing, abating
13 or monitoring air pollution, and materials and supplies solely
14 required for the installation, construction or reconstruction of
15 such machinery, equipment, appliances and devices, and so
16 certified as such by the director of the department of natural
17 resources, except that any action by the director pursuant to
18 this subdivision may be appealed to the air conservation
19 commission which may uphold or reverse such action;

20 (15) Machinery, equipment, appliances and devices purchased
21 or leased and used solely for the purpose of preventing, abating
22 or monitoring water pollution, and materials and supplies solely
23 required for the installation, construction or reconstruction of
24 such machinery, equipment, appliances and devices, and so

1 certified as such by the director of the department of natural
2 resources, except that any action by the director pursuant to
3 this subdivision may be appealed to the Missouri clean water
4 commission which may uphold or reverse such action;

5 (16) Tangible personal property purchased by a rural water
6 district;

7 (17) All amounts paid or charged for admission or
8 participation or other fees paid by or other charges to
9 individuals in or for any place of amusement, entertainment or
10 recreation, games or athletic events, including museums, fairs,
11 zoos and planetariums, owned or operated by a municipality or
12 other political subdivision where all the proceeds derived
13 therefrom benefit the municipality or other political subdivision
14 and do not inure to any private person, firm, or corporation;

15 (18) All sales of insulin and prosthetic or orthopedic
16 devices as defined on January 1, 1980, by the federal Medicare
17 program pursuant to Title XVIII of the Social Security Act of
18 1965, including the items specified in Section 1862(a)(12) of
19 that act, and also specifically including hearing aids and
20 hearing aid supplies and all sales of drugs which may be legally
21 dispensed by a licensed pharmacist only upon a lawful
22 prescription of a practitioner licensed to administer those
23 items, including samples and materials used to manufacture
24 samples which may be dispensed by a practitioner authorized to

1 dispense such samples and all sales of medical oxygen, home
2 respiratory equipment and accessories, hospital beds and
3 accessories and ambulatory aids, all sales of manual and powered
4 wheelchairs, stairway lifts, Braille writers, electronic Braille
5 equipment and, if purchased by or on behalf of a person with one
6 or more physical or mental disabilities to enable them to
7 function more independently, all sales of scooters, reading
8 machines, electronic print enlargers and magnifiers, electronic
9 alternative and augmentative communication devices, and items
10 used solely to modify motor vehicles to permit the use of such
11 motor vehicles by individuals with disabilities or sales of
12 over-the-counter or nonprescription drugs to individuals with
13 disabilities;

14 (19) All sales made by or to religious and charitable
15 organizations and institutions in their religious, charitable or
16 educational functions and activities and all sales made by or to
17 all elementary and secondary schools operated at public expense
18 in their educational functions and activities;

19 (20) All sales of aircraft to common carriers for storage
20 or for use in interstate commerce and all sales made by or to
21 not-for-profit civic, social, service or fraternal organizations,
22 including fraternal organizations which have been declared tax-
23 exempt organizations pursuant to Section 501(c)(8) or (10) of the
24 1986 Internal Revenue Code, as amended, solely in their civic or

1 charitable functions and activities and all sales made to
2 eleemosynary and penal institutions and industries of the state,
3 and all sales made to any private not-for-profit institution of
4 higher education not otherwise excluded pursuant to subdivision
5 (19) of this subsection or any institution of higher education
6 supported by public funds, and all sales made to a state relief
7 agency in the exercise of relief functions and activities;

8 (21) All ticket sales made by benevolent, scientific and
9 educational associations which are formed to foster, encourage,
10 and promote progress and improvement in the science of
11 agriculture and in the raising and breeding of animals, and by
12 nonprofit summer theater organizations if such organizations are
13 exempt from federal tax pursuant to the provisions of the
14 Internal Revenue Code and all admission charges and entry fees to
15 the Missouri state fair or any fair conducted by a county
16 agricultural and mechanical society organized and operated
17 pursuant to sections 262.290 to 262.530, RSMo;

18 (22) All sales made to any private not-for-profit
19 elementary or secondary school, all sales of feed additives,
20 medications or vaccines administered to livestock or poultry in
21 the production of food or fiber, all sales of pesticides used in
22 the production of crops, livestock or poultry for food or fiber,
23 all sales of bedding used in the production of livestock or
24 poultry for food or fiber, all sales of propane or natural gas,

1 electricity or diesel fuel used exclusively for drying
2 agricultural crops, natural gas used in the primary manufacture
3 or processing of fuel ethanol as defined in section 142.028,
4 RSMo, and all sales of farm machinery and equipment, other than
5 airplanes, motor vehicles and trailers. As used in this
6 subdivision, the term "feed additives" means tangible personal
7 property which, when mixed with feed for livestock or poultry, is
8 to be used in the feeding of livestock or poultry. As used in
9 this subdivision, the term "pesticides" includes adjuvants such
10 as crop oils, surfactants, wetting agents and other assorted
11 pesticide carriers used to improve or enhance the effect of a
12 pesticide and the foam used to mark the application of pesticides
13 and herbicides for the production of crops, livestock or poultry.
14 As used in this subdivision, the term "farm machinery and
15 equipment" means new or used farm tractors and such other new or
16 used farm machinery and equipment and repair or replacement parts
17 thereon, and supplies and lubricants used exclusively, solely,
18 and directly for producing crops, raising and feeding livestock,
19 fish, poultry, pheasants, chukar, quail, or for producing milk
20 for ultimate sale at retail and one-half of each purchaser's
21 purchase of diesel fuel therefor which is:

22 (a) Used exclusively for agricultural purposes;

23 (b) Used on land owned or leased for the purpose of
24 producing farm products; and

1 (c) Used directly in producing farm products to be sold
2 ultimately in processed form or otherwise at retail or in
3 producing farm products to be fed to livestock or poultry to be
4 sold ultimately in processed form at retail;

5 (23) Except as otherwise provided in section 144.032, all
6 sales of metered water service, electricity, electrical current,
7 natural, artificial or propane gas, wood, coal or home heating
8 oil for domestic use and in any city not within a county, all
9 sales of metered or unmetered water service for domestic use;

10 (a) "Domestic use" means that portion of metered water
11 service, electricity, electrical current, natural, artificial or
12 propane gas, wood, coal or home heating oil, and in any city not
13 within a county, metered or unmetered water service, which an
14 individual occupant of a residential premises uses for
15 nonbusiness, noncommercial or nonindustrial purposes. Utility
16 service through a single or master meter for residential
17 apartments or condominiums, including service for common areas
18 and facilities and vacant units, shall be deemed to be for
19 domestic use. Each seller shall establish and maintain a system
20 whereby individual purchases are determined as exempt or
21 nonexempt;

22 (b) Regulated utility sellers shall determine whether
23 individual purchases are exempt or nonexempt based upon the
24 seller's utility service rate classifications as contained in

1 tariffs on file with and approved by the Missouri public service
2 commission. Sales and purchases made pursuant to the rate
3 classification "residential" and sales to and purchases made by
4 or on behalf of the occupants of residential apartments or
5 condominiums through a single or master meter, including service
6 for common areas and facilities and vacant units, shall be
7 considered as sales made for domestic use and such sales shall be
8 exempt from sales tax. Sellers shall charge sales tax upon the
9 entire amount of purchases classified as nondomestic use. The
10 seller's utility service rate classification and the provision of
11 service thereunder shall be conclusive as to whether or not the
12 utility must charge sales tax;

13 (c) Each person making domestic use purchases of services
14 or property and who uses any portion of the services or property
15 so purchased for a nondomestic use shall, by the fifteenth day of
16 the fourth month following the year of purchase, and without
17 assessment, notice or demand, file a return and pay sales tax on
18 that portion of nondomestic purchases. Each person making
19 nondomestic purchases of services or property and who uses any
20 portion of the services or property so purchased for domestic
21 use, and each person making domestic purchases on behalf of
22 occupants of residential apartments or condominiums through a
23 single or master meter, including service for common areas and
24 facilities and vacant units, under a nonresidential utility

1 service rate classification may, between the first day of the
2 first month and the fifteenth day of the fourth month following
3 the year of purchase, apply for credit or refund to the director
4 of revenue and the director shall give credit or make refund for
5 taxes paid on the domestic use portion of the purchase. The
6 person making such purchases on behalf of occupants of
7 residential apartments or condominiums shall have standing to
8 apply to the director of revenue for such credit or refund;

9 (24) All sales of handicraft items made by the seller or
10 the seller's spouse if the seller or the seller's spouse is at
11 least sixty-five years of age, and if the total gross proceeds
12 from such sales do not constitute a majority of the annual gross
13 income of the seller;

14 (25) Excise taxes, collected on sales at retail, imposed by
15 Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and
16 4271 of Title 26, United States Code. The director of revenue
17 shall promulgate rules pursuant to chapter 536, RSMo, to
18 eliminate all state and local sales taxes on such excise taxes;

19 (26) Sales of fuel consumed or used in the operation of
20 ships, barges, or waterborne vessels which are used primarily in
21 or for the transportation of property or cargo, or the conveyance
22 of persons for hire, on navigable rivers bordering on or located
23 in part in this state, if such fuel is delivered by the seller to
24 the purchaser's barge, ship, or waterborne vessel while it is

1 afloat upon such river;

2 (27) All sales made to an interstate compact agency created
3 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010
4 to 238.100, RSMo, in the exercise of the functions and activities
5 of such agency as provided pursuant to the compact;

6 (28) Computers, computer software and computer security
7 systems purchased for use by architectural or engineering firms
8 headquartered in this state[. For the purposes of this
9 subdivision, "headquartered in this state" means the office for
10 the administrative management of at least four integrated
11 facilities operated by the taxpayer is located in the state of
12 Missouri];

13 (29) All livestock sales when either the seller is engaged
14 in the growing, producing or feeding of such livestock, or the
15 seller is engaged in the business of buying and selling,
16 bartering or leasing of such livestock;

17 (30) All sales of barges which are to be used primarily in
18 the transportation of property or cargo on interstate waterways;

19 (31) Electrical energy or gas, whether natural, artificial
20 or propane, which is ultimately consumed in connection with the
21 manufacturing of cellular glass products;

22 (32) Notwithstanding other provisions of law to the
23 contrary, all sales of pesticides or herbicides used in the
24 production of crops, aquaculture, livestock or poultry;

1 (33) Tangible personal property purchased for use or
2 consumption directly or exclusively in the research and
3 development of prescription pharmaceuticals consumed by humans or
4 animals;

5 (34) All sales of grain bins for storage of grain for
6 resale;

7 (35) All sales of feed which are developed for and used in
8 the feeding of pets owned by a commercial breeder when such sales
9 are made to a commercial breeder, as defined in section 273.325,
10 RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

11 (36) All purchases by a contractor on behalf of an entity
12 located in another state, provided that the entity is authorized
13 to issue a certificate of exemption for purchases to a contractor
14 under the provisions of that state's laws. For purposes of this
15 subdivision, the term "certificate of exemption" shall mean any
16 document evidencing that the entity is exempt from sales and use
17 taxes on purchases pursuant to the laws of the state in which the
18 entity is located. Any contractor making purchases on behalf of
19 such entity shall maintain a copy of the entity's exemption
20 certificate as evidence of the exemption. If the exemption
21 certificate issued by the exempt entity to the contractor is
22 later determined by the director of revenue to be invalid for any
23 reason and the contractor has accepted the certificate in good
24 faith, neither the contractor or the exempt entity shall be

1 liable for the payment of any taxes, interest and penalty due as
2 the result of use of the invalid exemption certificate.

3 Materials shall be exempt from all state and local sales and use
4 taxes when purchased by a contractor for the purpose of
5 fabricating tangible personal property which is used in
6 fulfilling a contract for the purpose of constructing, repairing
7 or remodeling facilities for the following:

8 (a) An exempt entity located in this state, if the entity
9 is one of those entities able to issue project exemption
10 certificates in accordance with the provisions of section
11 144.062; or

12 (b) An exempt entity located outside the state if the
13 exempt entity is authorized to issue an exemption certificate to
14 contractors in accordance with the provisions of that state's law
15 and the applicable provisions of this section;

16 (37) Tangible personal property purchased for use or
17 consumption directly or exclusively in research or
18 experimentation activities performed by life science companies
19 and so certified as such by the director of the department of
20 economic development or the director's designees; except that,
21 the total amount of exemptions certified pursuant to this section
22 shall not exceed one million three hundred thousand dollars in
23 state and local taxes per fiscal year. For purposes of this
24 subdivision, the term "life science companies" means companies

1 whose primary research activities are in agriculture,
2 pharmaceuticals, biomedical or food ingredients, and whose North
3 American Industry Classification System (NAICS) Codes fall under
4 industry 541710 (biotech research or development laboratories),
5 621511 (medical laboratories) or 541940 (veterinary services).
6 The exemption provided by this subdivision shall expire on June
7 30, 2003;

8 (38) All sales or other transfers of tangible personal
9 property to a lessor, who leases the property under a lease of
10 one year or longer executed or in effect at the time of the sale
11 or other transfer, to an interstate compact agency created
12 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010
13 to 238.100, RSMo.

14 144.083. 1. The director of revenue shall require all
15 persons who are responsible for the collection of taxes under the
16 provisions of section 144.080 to procure a retail sales license
17 at no cost to the licensee which shall be prominently displayed
18 at his place of business, and the license is valid until revoked
19 by the director or surrendered by the person to whom issued when
20 sales are discontinued. The director shall issue the retail
21 sales license within ten working days following the receipt of a
22 properly completed application. Any person applying for a retail
23 sales license or reinstatement of a revoked sales tax license who
24 owes any tax under sections 144.010 to 144.510 or sections

1 143.191 to 143.261, RSMo, must pay the amount due plus interest
2 and penalties before the department may issue the applicant a
3 license or reinstate the revoked license. All persons beginning
4 business subsequent to August 13, 1986, and who are required to
5 collect the sales tax shall secure a retail sales license prior
6 to making sales at retail. Such license may, after ten days'
7 notice, be revoked by the director of revenue only in the event
8 the licensee shall be in default for a period of sixty days in
9 the payment of any taxes levied under section 144.020 or sections
10 143.191 to 143.261, RSMo.

11 2. The possession of a retail sales license shall be a
12 prerequisite to the issuance of any city or county occupation
13 license or any state license which is required for conducting any
14 business where goods are sold at retail. The revocation of a
15 retailer's license by the director shall render the occupational
16 license or the state license null and void.

17 3. No person responsible for the collection of taxes under
18 section 144.080 shall make sales at retail unless such person is
19 the holder of a valid retail sales license. After all appeals
20 have been exhausted, the director of revenue may notify the
21 county or city law enforcement agency representing the area in
22 which the former licensee's business is located that the retail
23 sales license of such person has been revoked, and that any
24 county or city occupation license of such person is also revoked.

1 The county or city may enforce the provisions of this section,
2 and may prohibit further sales at retail by such person.

3 144.615. There are specifically exempted from the taxes
4 levied in sections 144.600 to 144.745:

5 (1) Property, the storage, use or consumption of which this
6 state is prohibited from taxing pursuant to the constitution or
7 laws of the United States or of this state;

8 (2) Property, the gross receipts from the sale of which are
9 required to be included in the measure of the tax imposed
10 pursuant to the Missouri sales tax law;

11 (3) Tangible personal property, the sale or other transfer
12 of which, if made in this state, would be exempt from or not
13 subject to the Missouri sales tax pursuant to the provisions of
14 subsections 2 and 3 of section 144.030;

15 (4) Motor vehicles, trailers, boats, and outboard motors
16 subject to the tax imposed by section 144.440;

17 (5) Tangible personal property which has been subjected to
18 a tax by any other state in this respect to its sales or use;
19 provided, if such tax is less than the tax imposed by sections
20 144.600 to 144.745, such property, if otherwise taxable, shall be
21 subject to a tax equal to the difference between such tax and the
22 tax imposed by sections 144.600 to 144.745;

23 (6) Tangible personal property held by processors,
24 retailers, importers, manufacturers, wholesalers, or jobbers

1 solely for resale in the regular course of business;

2 (7) Personal and household effects and farm machinery used
3 while an individual was a bona fide resident of another state and
4 who thereafter became a resident of this state, or tangible
5 personal property brought into the state by a nonresident for his
6 own storage, use or consumption while temporarily within the
7 state.

8 301.025. 1. No state registration license to operate any
9 motor vehicle in this state shall be issued unless the
10 application for license of a motor vehicle or trailer is
11 accompanied by a tax receipt for the tax year which immediately
12 precedes the year in which the vehicle's or trailer's
13 registration is due and which reflects that all taxes, including
14 delinquent taxes from prior years, have been paid, or a statement
15 certified by the county or township collector of the county or
16 township in which the applicant's property was assessed showing
17 that the state and county tangible personal property taxes for
18 such previous tax year and all delinquent taxes due have been
19 paid by the applicant or that no such taxes were due or, if the
20 applicant is not a resident of this state and serving in the
21 armed forces of the United States, the application is accompanied
22 by a leave and earnings statement from such person verifying such
23 status or, if the applicant is an organization described
24 pursuant to subdivision (5) of section 137.100, RSMo, or

1 subsection 1 of section 137.101, RSMo, the application is
2 accompanied by a document, in a form approved by the director,
3 verifying that the organization is registered with the department
4 of revenue or is determined by the internal revenue service to be
5 a tax-exempt entity. If the director of the department of
6 revenue has been notified by the assessor pursuant to subsection
7 2 of section 137.101, RSMo, that the applicant's personal
8 property is not tax-exempt, then the organization's application
9 shall be accompanied by a statement certified by the county or
10 township collector of the county or township in which the
11 organization's property was assessed showing that the state and
12 county tangible personal property taxes for such previous tax
13 year and all delinquent taxes due have been paid by the
14 organization. In the event the registration is a renewal of a
15 registration made two or three years previously, the application
16 shall be accompanied by proof that taxes were not due or have
17 been paid for the two or three years which immediately precede
18 the year in which the motor vehicle's or trailer's registration
19 is due. The county or township collector shall not be required
20 to issue a receipt for the immediately preceding tax year until
21 all personal property taxes, including all delinquent taxes
22 currently due, are paid. If the applicant was a resident of
23 another county of this state in the applicable preceding years,
24 he or she must submit to the collector in the county or township

1 of residence proof that the personal property tax was paid in the
2 applicable tax years. Every county and township collector shall
3 give each person a tax receipt or a certified statement of
4 tangible personal property taxes paid. The receipt issued by the
5 county collector in any county of the first classification with a
6 charter form of government which contains part of a city with a
7 population of at least three hundred fifty thousand inhabitants
8 which is located in more than one county, any county of the first
9 classification without a charter form of government with a
10 population of at least one hundred fifty thousand inhabitants
11 which contains part of a city with a population of at least three
12 hundred fifty thousand inhabitants which is located in more than
13 one county and any county of the first classification without a
14 charter form of government with a population of at least one
15 hundred ten thousand but less than one hundred fifty thousand
16 inhabitants shall be determined null and void if the person
17 paying tangible personal property taxes issues or passes a check
18 or other similar sight order which is returned to the collector
19 because the account upon which the check or order was drawn was
20 closed or did not have sufficient funds at the time of
21 presentation for payment by the collector to meet the face amount
22 of the check or order. The collector may assess and collect in
23 addition to any other penalty or interest that may be owed, a
24 penalty of ten dollars or five percent of the total amount of the

1 returned check or order whichever amount is greater to be
2 deposited in the county general revenue fund, but in no event
3 shall such penalty imposed exceed one hundred dollars. The
4 collector may refuse to accept any check or other similar sight
5 order in payment of any tax currently owed plus penalty or
6 interest from a person who previously attempted to pay such
7 amount with a check or order that was returned to the collector
8 unless the remittance is in the form of a cashier's check,
9 certified check or money order. If a person does not comply with
10 the provisions of this section, a tax receipt issued pursuant to
11 this section is null and void and no state registration license
12 shall be issued or renewed. Where no such taxes are due each
13 such collector shall, upon request, certify such fact and
14 transmit such statement to the person making the request. Each
15 receipt or statement shall describe by type the total number of
16 motor vehicles on which personal property taxes were paid, and no
17 renewal of any state registration license shall be issued to any
18 person for a number greater than that shown on his or her tax
19 receipt or statement except for a vehicle which was purchased
20 without another vehicle being traded therefor, or for a vehicle
21 previously registered in another state, provided the application
22 for title or other evidence shows that the date the vehicle was
23 purchased or was first registered in this state was such that no
24 personal property tax was owed on such vehicle as of the date of

1 the last tax receipt or certified statement prior to the renewal.
2 The director of revenue shall make necessary rules and
3 regulations for the enforcement of this section, and shall design
4 all necessary forms. If electronic data is not available,
5 residents of counties with a township form of government and with
6 township collectors shall present personal property tax receipts
7 which have been paid for the preceding two years when registering
8 under this section.

9 2. Every county collector in counties with a population of
10 over six hundred thousand and less than nine hundred thousand
11 shall give priority to issuing tax receipts or certified
12 statements pursuant to this section for any person whose motor
13 vehicle registration expires in January. Such collector shall
14 send tax receipts or certified statements for personal property
15 taxes for the previous year within three days to any person who
16 pays the person's personal property tax in person, and within
17 twenty working days, if the payment is made by mail. Any person
18 wishing to have priority pursuant to this subsection shall notify
19 the collector at the time of payment of the property taxes that a
20 motor vehicle registration expires in January. Any person
21 purchasing a new vehicle in December and licensing such vehicle
22 in January of the following year, may use the personal property
23 tax receipt of the prior year as proof of payment.

24 3. In addition to all other requirements, the director of

1 revenue shall not register any vehicle subject to the heavy
2 vehicle use tax imposed by Section 4481 of the Internal Revenue
3 Code of 1954 unless the applicant presents proof of payment, or
4 that such tax is not owing, in such form as may be prescribed by
5 the United States Secretary of the Treasury. No proof of payment
6 of such tax shall be required by the director until the form for
7 proof of payment has been prescribed by the Secretary of the
8 Treasury.

9 4. Beginning July 1, 2000, a county or township collector
10 may notify, by ordinary mail, any owner of a motor vehicle for
11 which personal property taxes have not been paid that if full
12 payment is not received within thirty days the collector may
13 notify the director of revenue to suspend the motor vehicle
14 registration for such vehicle. Any notification returned to the
15 collector by the post office shall not result in the notification
16 to the director of revenue for suspension of a motor vehicle
17 registration. Thereafter, if the owner fails to timely pay such
18 taxes the collector may notify the director of revenue of such
19 failure. Such notification shall be on forms designed and
20 provided by the department of revenue and shall list the motor
21 vehicle owner's full name, including middle initial, the owner's
22 address, and the year, make, model and vehicle identification
23 number of such motor vehicle. Upon receipt of this notification
24 the director of revenue may provide notice of suspension of motor

1 vehicle registration to the owner at the owner's last address
2 shown on the records of the department of revenue. Any
3 suspension imposed may remain in effect until the department of
4 revenue receives notification from a county or township collector
5 that the personal property taxes have been paid in full. Upon
6 the owner furnishing proof of payment of such taxes and paying a
7 twenty dollar reinstatement fee to the director of revenue the
8 motor vehicle or vehicles registration shall be reinstated. In
9 the event a motor vehicle registration is suspended for
10 nonpayment of personal property tax the owner so aggrieved may
11 appeal to the circuit court of the county of his or her residence
12 for review of such suspension at any time within thirty days
13 after notice of motor vehicle registration suspension. Upon such
14 appeal the cause shall be heard de novo in the manner provided by
15 chapter 536, RSMo, for the review of administrative decisions.
16 The circuit court may order the director to reinstate such
17 registration, sustain the suspension of registration by the
18 director or set aside or modify such suspension. Appeals from
19 the judgment of the circuit court may be taken as in civil cases.
20 The prosecuting attorney of the county where such appeal is taken
21 shall appear in behalf of the director, and prosecute or defend,
22 as the case may require.

23 5. Any rule or portion of a rule, as that term is defined
24 in section 536.010, RSMo, that is created under the authority

1 delegated in this section shall become effective only if it
2 complies with and is subject to all of the provisions of chapter
3 536, RSMo, and, if applicable, section 536.028, RSMo. This
4 section and chapter 536, RSMo, are nonseverable and if any of the
5 powers vested with the general assembly pursuant to chapter 536,
6 RSMo, to review, to delay the effective date or to disapprove and
7 annul a rule are subsequently held unconstitutional, then the
8 grant of rulemaking authority and any rule proposed or adopted
9 after August 28, 2000, shall be invalid and void.

10 644.032. 1. The governing body of any municipality or
11 county may impose, by ordinance or order, a sales tax in an
12 amount not to exceed one-half of one percent on all retail sales
13 made in such municipality or county which are subject to taxation
14 under the provisions of sections 144.010 to 144.525, RSMo. The
15 tax authorized by this section and section 644.033 shall be in
16 addition to any and all other sales taxes allowed by law, except
17 that no ordinance or order imposing a sales tax under the
18 provisions of this section and section 644.033 shall be effective
19 unless the governing body of the municipality or county submits
20 to the voters of the municipality or county, at a municipal,
21 county or state general, primary or special election, a proposal
22 to authorize the governing body of the municipality or county to
23 impose a tax, provided, that the tax authorized by this section
24 shall not be imposed on the sales of food, as defined in section

1 144.014, RSMo, when imposed by any county with a charter form of
2 government and with more than one million inhabitants.

3 2. The ballot of submission shall contain, but need not be
4 limited to, the following language:

5 Shall the municipality (county) of impose a
6 sales tax of (insert amount) for the purpose of
7 providing funding for (insert either storm water
8 control, or local parks, or storm water control and local parks)
9 for the municipality (county)?

10 [] YES

[] NO

11 If a majority of the votes cast on the proposal by the qualified
12 voters voting thereon are in favor of the proposal, then the
13 ordinance or order and any amendments thereto shall be in effect
14 on the first day of the second quarter after the director of
15 revenue receives notice of adoption of the tax. If a majority of
16 the votes cast by the qualified voters voting are opposed to the
17 proposal, then the governing body of the municipality or county
18 shall not impose the sales tax authorized in this section and
19 section 644.033 until the governing body of the municipality or
20 county resubmits another proposal to authorize the governing body
21 of the municipality or county to impose the sales tax authorized
22 by this section and section 644.033 and such proposal is approved
23 by a majority of the qualified voters voting thereon; however, in

1 no event shall a proposal pursuant to this section and section
2 644.033 be submitted to the voters sooner than twelve months from
3 the date of the last proposal pursuant to this section and
4 section 644.033.

5 3. All revenue received by a municipality or county from
6 the tax authorized under the provisions of this section and
7 section 644.033 shall be deposited in a special trust fund and
8 shall be used to provide funding for storm water control or for
9 local parks, or both, within such municipality or county,
10 provided that such revenue may be used for local parks outside
11 such municipality or county if the municipality or county is
12 engaged in a cooperative agreement pursuant to section 70.220,
13 RSMo.

14 4. Any funds in such special trust fund which are not
15 needed for current expenditures may be invested by the governing
16 body in accordance with applicable laws relating to the
17 investment of other municipal or county funds.

18 Section 1. 1. "Public entity", as used in this section,
19 shall mean the board of fund commissioners of the state and the
20 state board of public buildings.

21 2. Any public entity as defined in subsection 1 of this
22 section may:

23 (1) Execute and perform any obligations under any
24 instruments, contracts, or agreements convenient or necessary to

1 incur obligations with interest calculated at a fixed or variable
2 rate; and

3 (2) Obtain without any requirement for bidding, but with
4 compliance with the public entity's policies, credit enhancement
5 or other financing arrangements and execute and perform any
6 obligations under any related contracts and agreements convenient
7 or necessary to facilitate such enhancement or financing
8 arrangements including but not limited to arrangements such as
9 municipal bond insurance; surety bonds; liquidity facilities;
10 forward agreements; tender agreements; remarketing agreements;
11 option agreements; interest rate swap, exchange, cap, lock or
12 floor agreements; letters of credit; and purchase agreements.

13 3. All financial arrangements entered into under the
14 provisions of this section shall be fully enforceable as valid
15 and binding contracts as and to the extent provided herein and by
16 other applicable law.

17 4. Nothing in this section shall be applied or interpreted
18 to diminish the power any public entity may otherwise have under
19 any other provisions of law.

20 [135.750. 1. Beginning January 1,
21 1999, a taxpayer shall be granted a tax
22 credit against the tax otherwise due pursuant
23 to chapter 143, RSMo, excluding withholding
24 tax imposed by sections 143.191 to 143.261,
25 RSMo, or chapter 148, RSMo, for up to fifty
26 percent of the amount of investment in
27 production or production-related activities
28 in a qualified film production project. As
29 used in this section, the term "taxpayer"

1 means an individual, a partnership, or a
2 corporation as described in section 143.441,
3 143.471, RSMo, or section 148.370, RSMo, and
4 the term "qualified film production project"
5 means any film production project with an
6 expected in-state expenditure budget in
7 excess of three hundred thousand dollars.
8 Each film production company shall be limited
9 to one qualified film production project per
10 year. Activities qualifying a taxpayer for
11 the tax credit pursuant to this subsection
12 shall be approved by the office of the
13 Missouri film commission and the department
14 of economic development.

15 2. Taxpayers shall apply for the film
16 production tax credit by submitting an
17 application to the department of economic
18 development, on a form provided by the
19 department. As part of the application, the
20 expected in-state expenditures of the
21 qualified film production project shall be
22 documented. In addition, the application
23 shall include an economic impact statement,
24 showing the economic impact from the
25 activities of the film production project.
26 Such economic impact statement shall indicate
27 the impact on the region of the state in
28 which the film production or
29 production-related activities are located and
30 on the state as a whole.

31 3. Tax credits certified pursuant to
32 subsection 1 of this section shall not exceed
33 five hundred thousand dollars per taxpayer
34 per year, and shall not exceed a total for
35 all tax credits certified of one million
36 dollars per year. Taxpayers may carry
37 forward unused credits for up to five tax
38 periods, provided all such credits shall be
39 claimed within ten tax periods following the
40 tax period in which the film production or
41 production-related activities for which the
42 credits are certified by the department
43 occurred.

44 4. Notwithstanding any provision of law
45 to the contrary, any taxpayer may sell,
46 assign, exchange, convey or otherwise
47 transfer tax credits allowed in subsection 1
48 of this section. The taxpayer acquiring the

1 tax credits may use the acquired credits to
2 offset the tax liabilities otherwise imposed
3 by chapter 143, RSMo, excluding withholding
4 tax imposed by sections 143.191 to 143.261,
5 RSMo, or chapter 148, RSMo. Unused acquired
6 credits may be carried forward for up to five
7 tax periods, provided all such credits shall
8 be claimed within ten tax periods following
9 the tax period in which the film production
10 or production-related activities for which
11 the credits are certified by the department
12 occurred.]

13 Section B. The enactment of section 137.078 and the repeal
14 and reenactment of section 143.081 of section A of this act shall
15 become effective January 1, 2005.

16 Section C. Because immediate action is necessary to protect
17 the economic welfare of the citizens of this state, the repeal
18 and reenactment of sections 137.100, 144.030, and 144.615 of
19 section A of this act is deemed necessary for the immediate
20 preservation of the public health, welfare, peace, and safety,
21 and is hereby declared to be an emergency act within the meaning
22 of the constitution, and the repeal and reenactment of sections
23 137.100, 144.030, and 144.615 of section A of this act shall be
24 in full force and effect upon its passage and approval.